GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:4449
ANSWERED ON:25.04.2005
LOSSES OF ITDC
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of TOURISM be pleased to state:

(a) whether the India Tourism Development Corporation (ITDC) is incurring losses for the past several years; and

(b) if so, the details thereof and the steps taken by the Government to protect ITDC from further losses and to make it profitable?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF TOURISM (INDEPENDENT CHARGE) (SMT. RENUKA CHOWDHURY)

(a) & (b): India Tourism Development Corporation (ITDC) earned profit right from its inception in 1966 to 1998-99 but incurred losses during 1999-2000 to 2002-03. However, it had turnedaround in 2003-04 and has started earning profit again. The position regarding profit/loss (before tax) of the Corporation for the last five years is as under:-

Profit/Loss (Rs. in Crores)

2000-2001	(-) 35.45
2001-2002	(-) 90.26#
2002-2003	(-) 9.10
2003-2004	2.86
2004-2005 (estimated)	4.16

Includes loss of Rs. 53.02 crores on transfer of disinvested units.

The following steps have been taken by the Government to improve financial performance of the Corporation:-

- Aggressive marketing efforts including promotional schemes, special packages etc.
- Consolidation in the existing facilities/ services of the ITDC.
- After the disinvestment of 18 ITDC hotels, ITDC has diversified and entered into new business activities such as Money changing and Western Union Money Transfers, Consultancy and execution of tourism & engineering projects, training consultancy in hospitality sector, Event Management, Mounting of SEL Shows.
- Leasing out of some business areas in few ITDC Hotels to private parties for generating fixed income.
- Rationalisation of manpower through VRS and redeployment of manpower.
- Reduction in wage bill by roll back of retirement age from 60 to 58 years.
- Control of cost by exercising economy in expenditure.
- Opening up of new Duty Free Shops at Hyderabad, Bangalore, Calicut and Ahmedabad Custom Airports.